

**COMMONWEALTH OF VIRGINIA
VIRGINIA GAS AND OIL BOARD HEARING
January 17, 2012 Minutes**

Pursuant to Sections 45.1-361.9B and 45.1361.22.B of the Code of Virginia, the Virginia Gas and Oil Board will held its scheduled monthly hearing commencing at 9 a.m. on Tuesday, January 17, 2012, at the Russell County Government Conference Center, 139 Highland Drive, Lebanon, Virginia.

Board members present were Katie Dye, Bill Harris, Butch Lambert (Chairman), Allen Compton, Bruce Prather, Mary Quillen.

Also present were Rick Cooper, Executive Director to the Board and Diane Davis, Division of Gas and Oil.

There was discussion by the Board regarding a conflict for the March hearing. It has been rescheduled for Tuesday, March 13, 2012.

1. The board will receive public comments.

Public comments were received from Ms. Cathy Caldwell, Ms. Juanita Sneeuwaght and Mitchell Counts.

2. The Board will receive an update from First Bank and Trust, Escrow Agent for the Virginia Gas and Oil Board.

Debbie Davis and Lee Harding distributed the quarterly report. Debbie Davis reported the ending December balance is \$28,797,723.97. She also reported that she will continue to work with DMME's IT department to work out issues that still existed with electronic reporting but expected the e-filing to be advantageous. Ms. Davis also pointed out the outstanding checks found in Section 2 of the report and reminded that these parties monies would be escheated to the State of Virginia at the end of five years. All tax reporting will be out by the end of the month and the escrow agent is still working with the State of Tennessee to retrieve escheated money. Mr. Harding reviewed the remainder of the report and the financial standing of the account. He also announced that Karen McDonald had retired and First Bank and Trust is searching for a replacement.

3. A petition from EQT Production Company on behalf of Don W. Ashworth and Cynthia Ashworth; Graham Tiller and Betty Tiller; Dr. Halbert Ashworth and Peggy Ashworth and Range Resources-Pine Mountain Inc. for the disbursement of funds from escrow for a portion of Tracts 7 and 8, Unit 536589, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-07-0515-1935-01.

The disbursement was approved by the Board.

4. A petition from EQT Production Company on behalf of Don W. Ashworth and Cynthia Ashworth; Graham Tiller and Betty Tiller; Dr. Halbert Ashworth and Peggy Ashworth and Range Resources-Pine Mountain Inc. for the disbursement

of funds from escrow for a portion of Tracts 3, 5, 6, 7 and 8, Unit 537111
Ervinton District, Dickenson County, Virginia. Docket Number VGOB-07-0619-
1953-01.

The disbursement was approved by the Board.

5. A petition from EQT Production Company on behalf of Verna Sutherland and Range Resources-Pine Mountain Inc. for disbursement of funds from escrow for Tract 6 and a portion of Tract 9, Unit 503042, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-04-1214-1373-03.

The disbursement was approved by the Board.

6. A petition from EQT Production Company on behalf of Alcie Keen and Range Resources-Pine Mountain, Inc. for disbursement of funds from escrow for a portion of Tract 4, Unit 751313, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-93-0113-0309-04.

The disbursement was approved by the Board.

7. A petition from EQT Production Company on behalf of Hurley Ratliff and Range Resources-Pine Mountain, Inc. for disbursement of funds from escrow for Tract 3, Unit VC-536629, Prater District, Buchanan County, Virginia. Docket Number VGOB-07-1113-2075-01.

The disbursement was approved by the Board. Revised exhibit B regarding Betty Ratliff.

8. A petition from EQT Production Company on behalf of Darius Mullins and Standard Banner Coal Corporation for disbursement of funds from escrow for Tracts 1 and 21, Unit 536824, Kenady District, Dickenson County, Virginia. Docket Number VGOB-07-0918-2017-01.

The disbursement was approved by the Board.

9. A petition from EQT Production Company on behalf of Darius Mullins and Standard Banner Coal Corporation for disbursement of funds from escrow for Tract 8, Unit 536825, Kenady District, Dickenson County, Virginia. Docket Number VGOB-07-0116-1862-02.

**The applicant submitted a revised Exhibit B to include Tract 1 coal tract.
The disbursement was approved by the Board.**

10. A petition from EQT Production Company on behalf of Don W. Ashworth and Cynthia Ashworth; Graham Tiller and Betty Tiller; Dr. Halbert Ashworth and Peggy Ashworth and Range Resources-Pine Mountain Inc. for the disbursement of funds from escrow for a portion of Tracts 2 and 3, Unit 501843, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-06-1114-1763-01.

The disbursement was approved by the Board.

11. A petition from EQT Production Company on behalf of Alcie Keen and Range Resources-Pine Mountain Inc. for disbursement of funds from escrow for a portion of Tract 1, Unit 501853, Castlewood District, Russell County, Virginia. Docket Number VGOB-00-0516-0815-05.

The disbursement was approved by the Board.

12. A petition from EQT Production Company on behalf of David and Freda Powers and Range Resources-Pine Mountain Inc. for disbursement of funds from escrow for a portion of Tract 2, Unit VC-702966, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-94-0816-0467-03.

The disbursement was approved by the Board.

13. A petition from CNX Gas Company, LLC for disbursement of funds from escrow regarding Tracts 1 and 2 and authorization for direct payment of royalties to Coal Mountain Mining, CNX, Allie Clowers, Buford Davis, Billy Davis, Joe Davis, Bobby Davis, Gary Davis, Larry Wayne Davis, Unit Y-33, Garden District, Buchanan County, Virginia. Docket Number VGOB-95-1024-0524-01.

Continued by the applicant to February 2012.

14. A petition from CNX Gas Company LLC for creation of a 320 acre provisional drilling unit and pooling for conventional horizontal unit U6ASH, Prater District, Buchanan County, Virginia. Docket Number VGOB -11-1220-3014. Continued from December 2011.

The petition was withdrawn by the applicant.

15. The Board on its own motion will receive testimony from CNX Gas Company LLC and T. Shea Cook, concerning a Final Order of the court concerning Gary Davis, et al vs. CNX Gas Company, LLC and Coal Mountain Mining, LLP for Units Y-32 and Y33. Docket Number VGOB-96-1024-0524 and 07-0318-0573. Continued from November 2011.

The petition was continued to February 2012.

16. A petition from CNX Gas Company, LLC for pooling of coalbed methane unit C-39, Garden District, Buchanan County, Virginia. Docket Number VGOB-12-0117-3023.

The petition was approved by the Board with escrowing required for a portion of tract 2.

17. A petition from CNX Gas Company, LLC for pooling of coalbed methane unit U-6, Prater District, Buchanan County, Virginia. Docket Number VGOB-12-0117-3024.

The petition was approved by the Board with escrowing required for a portion of tract because of a title issue and conflict 1E, only conflicts exist in Tracts 1F, 1H, 1I.

18. A petition from CNX Gas Company LLC for creation of a provisional drilling unit and pooling of horizontal conventional unit K47SH, Garden District, Buchanan County, Virginia. Docket Number VGOB-12-0117-3025.

The petition was withdrawn by the applicant.

19. A petition from CNX Gas Company LLC for re-pooling coalbed methane unit AZ-112, New Garden District, Russell County, Virginia. Docket Number VGOB-03-1216-1240-01.

The petition was approved by the Board.

20. A petition from CNX Gas Company, LLC for re-pooling coalbed methane unit BA-112, New Garden District, Russell County, Virginia. Docket Number VGOB-02-0416-1025-02.

The petition was approved by the Board.

21. A petition from CNX Gas Company, LLC for re-pooling coalbed methane unit AZ-111, New Garden District, Russell County, Virginia. Docket Number VGOB-02-0416-1023-02.

The petition was approved by the Board.

22. A petition from CNX Gas Company, LLC for re-pooling coalbed methane unit A-22, Garden District, Buchanan County, Virginia. Docket Number VGOB-00-0919-0820-01.

A new revised exhibit A, Page 2 will be submitted. The petition was approved with no escrowing required.

23. A petition from Range Resources-Pine Mountain Inc. for a well location exception for proposed well 900026, Knox District, Buchanan County, Virginia. Docket Number VGOB-12-0117-3026.

The petition was approved by the Board.

24. A petition from Range Resources-Pine Mountain Inc. for a well location exception for proposed well V-530328, Kenady District, Dickenson County, Virginia. Docket Number VGOB-12-0117-3027.

The petition was approved by the Board.

25. A petition from Range Resources-Pine Mountain Inc. for establishment of a drilling unit and pooling for well V-530330, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-12-0117-3028.

The petition was approved by the Board with escrowing required for Tract 2.

26. A petition from Range Resources-Pine Mountain Inc. for establishment of a drilling unit and pooling for well V-530328, Kenady District, Dickenson County, Virginia. Docket Number VGOB-12-0117-3029.

The petition was approved by the Board with escrowing required for Tract 3 & 4.

27. A petition from Range Resources-Pine Mountain Inc. for pooling of horizontal conventional well 900077, Sandlick District, Dickenson County, Virginia. Docket Number VGOB-12-0117-3030.

The petition was approved by the Board with escrowing required in Tract 4.

28. A petition from Range Resources-Pine Mountain Inc. for pooling of conventional horizontal well 900078, Sandlick District, Dickenson County, Virginia. Docket Number VGOB-12-0117-3031.

The petition was approved by the Board with escrowing required in Tract 4.

29. The Board will receive an update of Board and Division activities from staff.

The Board made a motion to for Rick Cooper to draft a letter requesting that all applicants start dating exhibits and making if revised, sub-totaling individual tracts on exhibits B3, E and EE..

30. The Board will review the December 2011 minutes for approval.

A change will be made to one of the names appearing in the public comment section. The December minutes will be reposted. The minutes were approved with this change.

The meeting adjourned at 11:59